<u>LICENSE AGREEMENT</u> <u>BETWEEN</u> <u>MONTGOMERY COUNTY, MARYLAND AND BRIGHT EYES, INC.</u>

DATE: 6/29/05

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License"), made this day of June, 2005, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (the "County") and BRIGHT EYES, INC., a private, non-profit corporation and a Child Care Provider (the "Licensee" or the "Provider"). (The County and the Licensee or Provider together the "Parties").

BACKGROUND:

- 1. The County has a leasehold interest for the sole purpose of operating a child care center ("Child Care Center") in the building known as the Glen Haven Elementary School located at 10900 Inwood Avenue, Silver Spring, Maryland in Montgomery County, Maryland;
- 2. The County solicited requests for proposals from organizations interested in providing child care at 10900 Inwood Avenue, Silver Spring, Maryland;
- 3. A Child Care Provider Selection Committee reviewed applications and chose the Licensee to provide a child care program appropriate to the needs of the community;
- 4. The purpose of the County's Policy on Use of County Buildings for Child Care is:
 - To establish consistent and reasonable rental rates for child care in public buildings licensed from the County;
 - b. To establish responsibilities of the County and the Licensee; and
 - c. To establish priority placement for children of County employees; and
- 5. The Licensee is licensed or certified by the State of Maryland or other bona fide certifying or licensing entity to provide child care services.
- 1. <u>LICENSED PREMISES</u>: The County does grant the Licensee the privilege, license and right to use approximately 1,120 licensable square feet in the

premises known as the Glen Haven Blementary School located at 10900 Inwood Avenue, Silver Spring, Maryland (the "Licensed Premises"), as outlined in red on the attached **Exhibit A**, for the exclusive purpose of providing the child care services described in the Provider's Childcare Proposal attached as **Exhibit B** and incorporated as if fully set forth (the "Program").

- 2. <u>LICENSE TERM</u>: The term of this License is for two (2) years, commencing on August 9, 2004 and expiring on August 8, 2006 (the "License Term"). This License may be terminated at any time during the License Term or any extension of the License Term by the County upon thirty (30) days written notice to the Licensee, unless the Licensee's license or certification to operate a Child Care Center is suspended or revoked by the issuing entity, in which case the County is not required to provide thirty (30) days written notice to the Licensee. The County is under no obligation to provide alternative space for the Licensee and is not responsible for any moving costs or any expenses incurred by the Licensee as a result of the termination or expiration of this License for any reason.
- RENEWAL OPTION: The Licensee may, at its option, extend the License Term for three (3) additional and consecutive two (2) year terms (the "Renewal Terms"), provided that: (a) the Licensee is not in default of any of the provisions of this License; (b) the License is in full force and effect; (c) the County has not given the Licensee notice of the County's intention to terminate the License; (d) The Licensee's license to operate a Child Care Center has not been revoked or suspended by the issuing entity; and (e) the Licensee provides the County with written notice that the Licensee intends to exercise any of the Licensee's options to extend the License Term, one hundred and twenty (120) days prior to the expiration of the current License Term. TIME IS OF THE ESSENCE FOR THE LICENSEE'S NOTICE TO THE COUNTY.

4. <u>LICENSE FEE</u>:

A. <u>License Fee</u>: Beginning with the License commencement date, the Licensee will pay to the County as a License Fee, Nine Dollars (\$9.00) per square foot for an annual rate of Ten Thousand Eighty Dollars (\$10,080.00) payable in equal monthly installments of Eight Hundred

Forty Dollars (\$840.00). All payments are to be made in advance on the first day of each month during each license year, and shall be payable by check to:

Montgomery County, Maryland Office of Real Estate P. O. Box 62077 Baltimore, Maryland 21264-2077.

- B. <u>License Fee Increase</u>: Commencing with January 1, 2005 and on the 1st of January thereafter during the License Term, and any Renewal Term, the County will establish the License Fee rate to be paid by the Licensee for the next year, by determining the average per square foot operating cost for all childcare facilities operated and maintained by the County. For purposes of this License, operating costs shall include, but not be limited to, the following:
 - 1. Utilities;
 - Janitorial At the same level provided to other
 County facilities. The Licensee must perform day
 to day programmatic clean up (spills, crumbs, sand, food preparation areas, etc.);
 - 3. Maintenance (major and minor);
 - 4. Pest control;
 - 5. Snow removal;
 - 6. Grounds maintenance;
 - 7. Fire Extinguishers;
 - 8. Trash removal, recycling;
 - 9. Renovations as required to meet State licensing regulations; and
 - 10. Security in the form of locking the facility.
- C. <u>Additional License Fees</u>: In addition to the License Fee payable under Paragraph 4 (B), the Licensee shall pay to the County a share of the

cost of debt service incurred by the County as a result of improvements and renovations to child care facilities operated and maintained by the County as an Additional Licensee Fee (the "Additional License Fee"). The Additional License Fee shall be due and payable in the same manner and on the same day as the License Fee. The cost of debt service shall be determined annually by (1) adding all Capital Improvement Program costs for all County-owned and County-maintained child care facilities; (2) multiplying the total cost by the average effective annual repayment rate for twenty (20) year bonds; and (3) dividing that result by the total square footage allocated to the county maintained child care facilities.

- D. <u>Waiver of Additional License Fees</u>: Pursuant to the Policy on Use of County Buildings for Child Care, attached hereto and made a part hereof, as **Exhibit C**, a waiver on the repayment of debt service and the Additional License Fee, as stated above in Paragraph 4(C) shall be granted by the County to the Licensee provided that Fifty-one percent (51%) or more of families served by the Licensee are eligible for or enrolled in the Department of Social Services or Department of Family Resources subsidy programs.
- E. Failure to Pay License Fees: If the Licensee fails to submit the monthly License Fee or Additional License Fee payments in the manner as provided for above (collectively the "License Fee Payment"), and if the failure continues for more than ten (10) calendar days after the first day of the month for which the License Fee Payment is due and payable, the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of five percent (5%) of the monthly Licensee Fee Payment. If the Licensee's failure to pay continues for more than twenty (20) calendar days after a monthly payment becomes due and payable the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of fifteen percent (15%) of the monthly License Fee Payment. If the Licensee's failure to pay continues for more than thirty (30) calendar days after a monthly License Fee Payment becomes due and payable, the County will

have the right to terminate this License Agreement, recover possession of the Licensed Premises and pursue any other legal remedies available to the County under all applicable federal, state and local laws.

5. <u>USE OF THE LICENSED PREMISES:</u>

- A. The Licensee must use the Licensed Premises only for the provision of infant and child care services and those activities related to such services.
- B. The Licensee must abide by any and all rules and regulations concerning the operation of its Program, which may, from time to time, be issued by the County.
- C. The Licensee must implement its Program in the manner set forth in the Providers Child Care Proposal and in its presentation to the Child Care Selection Committee.
- D. The Licensee must implement its Program in accordance with any and all applicable state, local and federal laws pertaining to the operation of Child Care Centers and must maintain its license or certification to provide such services in accordance with the requirements of the entity issuing such license or certification.
- 6. <u>ASSIGNMENT</u>: The Licensee must not assign, transfer, mortgage or otherwise encumber this License or sublet or rent (or permit a third party to occupy or use) the Licensed Premises or any part of the Licensed Premises.
- 7. <u>USE OF OUTDOOR PLAYGROUND AREAS</u>: The Licensee shall have access to and the right to use the outdoor playground areas (if any) adjacent to the Licensed Premises when used by the Licensee in connection with its Program and during its normal hours of operation. Repair, maintenance and replacement of playground equipment will be the responsibility of the party that provided such playground

equipment as described on the Licensed Premises Equipment Inventory attached as **Exhibit D.**

- 8. <u>ENROLLMENT</u>: The Licensee acknowledges and agrees that the Licensed Premises will be licensed for a maximum of ninety (90) children. The Licensee must inform the County whenever the enrollment increases beyond ninety (90) children.
- 9. <u>PRIORITY PLACEMENT</u>: The Licensee must provide children of County employees with priority placement in the Licensee's Program.
- 10. <u>SPECIAL CONDITIONS:</u> In addition to establishing priority placement for children of County employees, the Licensee must:
 - A. Comply with the Americans with Disabilities Act and all federal, state and local laws regarding providing access and services to disabled persons;
 - B. Share its Program enrollment data with the County;
 - C. Accept children whose parents participate in state or local subsidy programs;
 - D. Maintain reports relating to the Licensee's license(s) or certification(s) as a child care provider for inspection and evaluation for County and parental review;
 - E. Maintain compliance with all licensing requirements of its Program, whether state, local or federal; and
 - F. Obtain and maintain accreditation of its Program by the National Association for the Education of Young Children (NAEYC) or by another nationally recognized accreditation system.

11. IMPROVEMENTS AND ALTERATIONS: The Licensee must not permit or undertake any alterations, changes, improvements, or additions to the Licensed Premises without the prior written consent of the County ("Licensee's Work"). In order to secure the County's approval of any Licensee's Work", the Licensee must submit to the County written plans and specifications clearly setting forth Licensee's Work to be performed. The plans and specifications for Licensee's Work submitted by the Licensee to the County must demonstrate compliance with all applicable codes and regulations. The County will respond in writing to the Licensee within forty-five (45) days from receipt of said plans and specifications for Licensee's Work. The County may impose any reasonable conditions to its consent, including, but not limited to (1) delivery to the County by the Licensee of written or unconditional waivers of mechanic's and materialman's liens as to the Licensed Premises or the premises of which the Licensed Premises are a part, for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the alterations; (2) prior approval of the plans and specifications and the Licensee's contractors with respect to any Licensee's Work; and (3) the right of the County's representatives to inspect any Licensee's Work during the course of any Licensee's Work to be performed to the Licensed Premises or the premises of which the Licensed Premises are a part. Licensee's Work must conform to the requirements of the County's insurer and of the federal, state and local governments having jurisdiction over the premises of which the Licensed Premises are a part, and must be performed in accordance with the terms and conditions of this License in a good and workmanlike manner and shall not adversely affect the value, utility, or character of the Licensed Premises or the premises of which the Licensed Premises are a part. Notwithstanding the foregoing, if any mechanic's or materialmen's lien is filed against the Licensed Premises or the premises of which the Licensed Premises are a part, for work claimed to have been done for, or materials claimed to have been furnished to or for the benefit of the Licensee, such lien must be discharged of record by the Licensee within sixty (60) days of payment or the filing of any bond required by law. If the Licensee fails to discharge any such lien, the County may (but is not obligated to) discharge the same, the cost of which must be paid by the Licensee upon demand by the County.

The County reserves the right to reject, in its sole discretion, any Licensee's Work proposed by the Licensee. The County will inspect the Licensed

Premises upon completion of Licensee's Work to determine adherence to submitted plans and specifications. In the event that Licensee's Work is not reasonably satisfactory to the County, the Licensee must undertake any necessary corrections, at the Licensee's sole risk and expense. Once the consent of the County has been obtained to perform Licensee's Work, the Licensee will be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. The Licensee's failure to adhere to any such applicable ordinances or regulations shall be deemed to be a violation of this License Agreement. The cost of any Licensee's Work shall be borne solely by the Licensee.

12. <u>SERVICES:</u>

- A. The Licensee, at its risk and expense, will be responsible for the provision of telephone services to the Licensed Premises, as deemed necessary by the Licensee.
- B. The County, through the Board of Education will be responsible for providing to the Licensed Premises regular janitorial services on County workdays as specified in Article 4, Paragraph (B), including refuse removal, recycling, and pest control. Any janitorial services beyond regular County services will be the responsibility of the Licensee. If pest control is required after normal working hours, the Licensee or the Licensee's representative must be available if requested by the County.
- C. The County will provide fire extinguishers where needed.
- D. The County will be responsible for the payment of utilities necessary for the operation of the building of which the Licensed Premises are a part.
- E. The County will be responsible for maintenance of the grounds immediately adjacent to the building of which the Licensed Premises are a part.

- F. The County will be responsible for snow and ice removal or treatment of walkways and the parking areas, as it becomes necessary.
- G. The County will be responsible for all renovations required to meet state licensing regulations.
- H. The County will be responsible for major structural repairs, and maintenance and repair of the building's mechanical systems.
- I. The County and the Licensee agree that the County's maintenance responsibilities, as set forth in items (B), (C), (D), (E), (F), (G) and (H) of this Section will be performed by the County, at the County's expense.
- 13. <u>FIXTURES AND EQUIPMENT</u>: All items which are attached to the building, or are a part of the building's systems at the time the Licensed Premises are delivered to the Licensee, must remain with the building and shall be delivered to the Licensee along with the Licensed Premises. Plumbing, electrical and heating fixtures and all other fixtures, except trade fixtures, installed by the Licensee shall remain in the Licensed Premises at end of term. All other items installed within the Licensed Premises at the Licensee's expense shall remain the property of the Licensee and shall be removed by the Licensee at the expiration or other termination of this License. The Licensee must repair any damage caused by reason of the removal of the Licensee's property. Any personal property remaining within the Licensed Premises after termination of the License will become property of the County. The County will dispose of any such property in the manner it deems appropriate.

14. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. <u>Insurance</u>: The Licensee agrees to obtain and maintain, during the full term of this License, any Renewal Terms, and until all of the Licensee's obligations which survive termination of this License have been completed, a policy or policies of insurance issued by an insurance company or companies licensed in the State of Maryland and acceptable to the County containing the types of insurance coverages and limitations set

forth in the Insurance Requirements, attached hereto as Exhibit E, which is incorporated by reference and made a part of this License Agreement.

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- B. <u>Licensee's Owned Contents</u>: The Licensee must provide evidence of property coverage for their owned contents and any improvements to the Licensed Premises. Coverage shall be on a replacement cost basis for "all risks of direct physical loss or damage except as specifically excluded." The County does not provide any coverage for Licensee's owned contents and improvements to the Licensed Premises.
- C. <u>County's Insurance</u>: The County will maintain its normal fire and liability insurance on the Licensed Premises. The County reserves the right to self-insure.
- D. <u>Certificate of Insurance</u>: The Licensee must, within thirty (30) days from execution of this License Agreement, deliver to the County a certificate(s) of insurance evidencing the coverages required under this License Agreement. The certificates must be issued to: Montgomery County, Maryland, Department of Public Works and Transportation, Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850.
- E. <u>Additional Insured</u>: The Licensee's General Liability Policy must list Montgomery County, Maryland as an additional insured and all insurance policies obtained by the Licensee as required by this License Agreement must provide that the Licensee will give the County written notice of amendment, cancellation, termination or non-renewal, no later than forty-five (45) days prior to amendment, cancellation, termination or non-renewal. The Licensee must provide on an annual basis evidence that is satisfactory to the County of the insurance coverages required under this License Agreement.
- F. <u>Subrogation</u>: If a casualty or other occurrence which should be covered by the insurance required by this License Agreement occurs, the

Licensee must look solely to its insurer for reimbursement and the Licensee must ensure that such insurance is so written that the Licensee's insurer waives all rights of subrogation and shall have no cause of action against the County, its agents, or employees as a result of such casualty or occurrence. The Licensee waives and releases all right of recovery which it might otherwise have against the County or its agents or employees by reason of any loss or damage resulting from such casualty or other occurrence, to the extent that the Licensee would be covered by insurance if the Licensee complied with the requirements of this License Agreement pertaining to insurance.

- G. <u>Security System</u>: In the event the County engages the services of a professional security system for the Licensed Premises or the premises of which the Licensed Premises are a part, it is understood that such engagement in no way increases the County's liability for occurrences and/or consequences which such a system is designed to detect or avert and that the Licensee must look solely to its insurer as set forth above for claims for damages or injury to any person or property.
- 15. HOLD HARMLESS: The Licensee agrees to hold harmless and defend the County from and against any and all claims of liability, actions, damages and expenses arising out of or related to the Licensee's breach of this License Agreement or use or possession of the Licensed Premises occasioned wholly or in part by any act or omission of the Licensee, its agents, contractors, guests or employees, except such claims arising solely from the negligent acts or omissions of the County, the County's employees, agents and contractors. The Licensee further specifically agrees to hold the County harmless and defend the County from and against any claim of public liability made in connection with any construction or installation of equipment performed by the Licensee, its agents, employees or contractors, within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Licensed Premises, or such construction or installation of equipment shall have been approved by the County.

- 16. <u>RESPONSIBILITIES OF LICENSEE</u>: The Licensee covenants and agrees as follows:
 - A. The Licensee must not keep gasoline or other flammable material or any explosive within the Licensed Premises which will increase the rate of fire insurance on the Licensed Premises beyond the ordinary risk established for the type of operations described in Article 5. Any such increase in the insurance rate due to the presence of gasoline, other flammable material or explosives, or due to the Licensee's operations within the Licensed Premises, must be borne solely by the Licensee. The Licensee must not willfully do any act or thing in or about the Licensed Premises which may make void or voidable any insurance on the Licensed Premises or the premises of which the Licensed Premises are a part, and the Licensee must conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.
 - B. The Licensee must not use or allow the Licensed Premises or any part of the Licensed Premises to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance, annoyance, inconvenience, or cause damage to the Licensed Premises, the premises of which the Licensed Premises are a part, adjacent properties or the adjacent neighborhood.
 - C. The Licensee must not place upon the Licensed Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by the County.
 - D. The Licensee acknowledges that all responsibilities of the Licensee relating to the use or misuse of the Licensed Premises shall be construed to include use or misuse of the Licensed Premises by the Licensee's agents, employees, patrons and residents.
 - E. The Licensee must not have pets in or about the Licensed Premises. This provision does not limit the Licensee or the Licensee's

clients, employee's or guest's right to have bona fide service animals on the Licensed Premises. The Licensee is solely responsible for the proper care of service animals in the Licensed Premises and in keeping the Licensed Premises clean and free of debris and waste associated with the care and feeding of service animals.

- F. The Licensee must comply with all rules and regulations with regard to the use of the Licensed Premises that may be from time to time promulgated by the County. Any violation of said rules and regulations will be deemed to constitute a violation of this License. It is understood that such rules and regulations will not unreasonably interfere with or prevent the intended uses of the Licensed Premises as set forth in this License.
- G. The Licensee must maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any trade fixtures, except as provided for in Article 12.
- H. The Licensee must close and lock all entrance doors and windows in the Licensed Premises when the Licensed Premises are not in use. Further, before closing and leaving the Licensed Premises at any time, the Licensee must close all windows and doors and secure the Licensed Premises. The Licensee must not place any additional locks or bolts of any kind upon any of the entrance or interior doors or windows. The Licensee must not change any existing locks without prior written approval of the County. In the event an approved change is made to the existing locks, the Licensee must provide the County with keys to the new locks. Upon the termination of this License Agreement, the Licensee must return all keys of the building, offices, and bathrooms, either furnished to, or otherwise procured by, the Licensee to the County. In the event of the loss of any keys provided to the Licensee, the Licensee must pay the County the cost such keys and/or locks.

- I. The Licensee must establish and post in the Licensed Premises an appropriate fire evacuation plan and hold fire drills as required. All occupants of the Licensed Premises must be trained regarding the safe and proper operation of all appliances and equipment in the Licensed Premises.
- J. The Licensee is responsible for on site management of the Licensed Premises and must keep posted, in a conspicuous place within the Licensed Premises, the Licensee's responsibilities and obligations as specified in Articles 12 and 16 of this License. The Licensee must keep a copy of this License at the Licensed Premises and ensure the Licensee's on site representative is adhering to the terms and conditions of this License.
- K. The Licensee must indemnify, defend and hold the County and the County's other tenants, licensees, agents and employees (together the "Indemnities") harmless from and against all liabilities, obligations, damages, judgments, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorney's fees, which may be imposed upon, incurred by, or asserted against any of the Indemnities and arising, directly or indirectly, out of or in connection with (i) The Licensee's breach of its obligations under this License; (ii) the acts or negligence of the Licensee, its agents, contractors, and employees in the premises or on the Licensed Premises; and (iii) the use or occupancy of the Licensed Premises, and by the Licensee, its agents, servants, employees and contractors. In case any action or proceeding is brought against any of the Indemnities by reason of any of the foregoing, the Licensee must reimburse the County the cost of defending such action or proceeding, or upon the County's written demand and at the Licensee's sole cost and expense, the Licensee must defend such action and proceeding by counsel approved by the County.
- L. The Licensee must not strip, overload, damage, or deface the Licensed Premises or any part of the premises of which the Licensed

Premises are a part, including, but not limited to, hallways, stairways, or elevators.

- M. The Licensee must not permit any trade or occupation to be carried on or use made of the Licensed Premises outside the scope of this License (Article 5). Further the Licensee agrees to and must obey any and all federal, state, county and local laws and regulations relating to their operation of business on and in the Licensed Premises and premises of which the Licensed Premises are a part.
- N. The Licensee must not move any furniture or equipment which is the property of the County into or out of the Licensed Premises without the County's prior written consent.
- O. The Licensee must not interfere with the County's use or other tenant's or the Licensee's use of the Licensed Premises and the premises of which the Licensed Premises are a part.
- P. The Licensee must pay all of its bills and expenses relating to its use of the Licensed Premises on time and must not permit any disruption in any service, including but not limited to, utilities, to any portion of the Licensed Premises.
- Q. The Licensee verifies and acknowledges that the person executing this License on behalf of the Licensee has the legal authority to bind the Licensee to the duties and obligations set forth in this License. The Licensee further verifies and acknowledges that such person's signature creates a binding obligation on the part of the Licensee for the term of this License.
- R. The Licensee verifies and acknowledges that it is in good standing and/or qualified to do business in the State of Maryland.

- S. The Licensee agrees to and must perform any and all obligations under this License in a timely manner.
- T. Upon removal of the Licensee's property from the Licensed Premises, the Licensee at its sole expense must repair any damage to the Licensed Premises caused by such removal so that the Licensed Premises are in substantially the same condition as at the commencement of the License Term, reasonable wear and tear excepted.

17. <u>DESTRUCTION OF LICENSED PREMISES:</u>

- A. In the event of damage to or destruction of the Licensed Premises or any part of the Licensed Premises by fire, storm, flood or other casualty which does not require the Licensee to suspend entirely its business, the County shall, as soon as practicable after said damage or destruction, repair and restore the Licensed Premises to the condition they were in immediately prior to said damage or destruction. Should such damage or destruction of said premises or any substantial part of the Licensed Premises render the Licensed Premises wholly unavailable for use by the Licensee for use as a child care facility, the County shall promptly begin and diligently pursue the repairing, restoration and rebuilding of the Licensed Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as the County may determine appropriate. In the alternative, the County may terminate this License within thirty (30) days following the date of the destruction of the Licensed Premises as described above by sending a termination notice to the Licensee.
- B. In the event of damage to or destruction of fifty percent (50%) or more of the building of which the Licensed Premises are a part, the County may elect not to restore the said building and this License shall automatically terminate and the Parties shall be discharged from all responsibilities arising under this License.

- 18. <u>DEFAULT</u>: The Licensee shall be considered in default of this License Agreement and the County may terminate this License Agreement upon the occurrence of any of the following:
- i. Failure to perform under any term, covenant or condition of this License;
- ii. The commencement of any action or proceeding for the dissolution or liquidation of the Licensee, or for the appointment of a receiver or trustee of the Licensee's property;
- iii. The making of any assignment for the benefit of the Licensee's creditors;
 - iv: The abandonment of the Licensed Premises by the Licensee;
 - v: The revocation or suspension of the Licensee's license or certification as a child care provider by the issuing entity; and
 - vi: Any other default or breach of the terms and conditions this License.
- 19. <u>EMINENT DOMAIN</u>: The Licensee is not entitled to any condemnation award granted to the County as owner of the Licensed Premises. In the event that the Licensed Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain or sold under threat of such taking, the Licensee will not be entitled to recover from the County any capital expenditures for improvements and betterments made by the Licensee to the Licensed Premises at the Licensee's expense.

20. RIGHT OF ENTRY:

A. <u>Routine Repairs and Inspection</u>: The Licensee must permit the County, its agents or employees, at reasonable times and upon reasonable prior notice (not less than 1 days/24hours prior notice) to enter the

Licensed Premises without charge and without diminution of License Fee payments to: (1) examine, inspect and protect the Licensed Premises; (2) to perform maintenance and repairs the County may in its sole discretion consider necessary or desirable; and (3) to exhibit the Licensed Premises to prospective purchasers, tenants, licensees or to present or future mortgagors.

B. <u>Emergency Access</u>: In cases of emergency involving imminent risk of injury or death to persons or damage to property, the County, its agents or employees without prior notice to the Licensee, may enter the Licensed Premises, however the County will attempt, but is not required to notify the Licensee of any such entry under this section as soon as is practicable under the circumstances.

21. RETURN OF LICENSED PREMISES:

- A. At the conclusion of the License Term as set forth in Article 2, or following the termination of this License for any other cause, the Licensee must remove all of the Licensee's goods and effects from the Licensed Premises and return to the County all keys, locks, and other fixtures belonging to the County, in good repair, reasonable wear and tear excepted.
- A. The Licensee must return the Licensed Premises to the County in the same condition as received at the beginning of the License Term, in "broom clean" condition, reasonable wear and tear excepted.
- B. In the event that Licensee's property is not removed from the Licensed Premises within seventy-two (72) hours after the termination of this License, the property remaining will become the property of the County.
- C. Following termination of this License, the Licensee must remove any and all signs erected by or on behalf of the Licensee and must pay for

or repair any damage caused by the installation or removal of such signage.

- D. At the time of termination of this License and at the County's option, the Licensee must participate in a walk-through with the County's agent or employee to inspect the Licensed Premises.
- 22. <u>NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES</u>: The Licensee must give the County prompt verbal notice of accidents in or damages to the Licensed Premises, and, within twenty-four (24) hours following the occurrence of such accident or damage, the Licensee must follow-up with a detailed written report to the County of such accidents or damages.
- 23. <u>COMPLIANCE WITH LAWS</u>: It is understood, agreed and covenanted by and between the Parties that the Licensee, at the Licensee's expense, will promptly comply with, observe and perform all of the requirements of all of the codes, statutes, ordinances, rules, orders and regulations now in effect or later promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government and the municipality in which Licensed Premises are located, Montgomery County Department of Environmental Protection or Montgomery County Fire Marshal's Office.
- 24. <u>WAIVER</u>: The waiver of at any time by either of the Parties of any particular covenant, condition, obligation, or duty under this License shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver must not be construed or understood as waiving any further or other rights of either Party.
- 25. <u>NON-DISCRIMINATION</u>: The Licensee agrees to comply with the non-discrimination in employment policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws and regulations regarding employment discrimination. By signing this License Agreement, the Licensee assures the County that in accordance with applicable law, it does not, and agrees that it will not engage in any

employment discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations.

- 26. <u>PUBLIC EMPLOYMENT:</u> The Licensee understands and agrees that unless authorized under Sections 11B-52 and Chapter 19A of the Montgomery County Code 2004, as amended, that it is unlawful for any person or entity transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.
- 27. <u>MAILING NOTICES</u>: All notices required or desired to be given in accordance with this License by either party must be given by first class mail with a nationally recognized receipted delivery service, postage prepaid, addressed to the County or the Licensee, respectively. Notices to the Parties must be addressed as follows:

Licensee:

Bright Eyes, Inc.

25114 Vista Ridge Road

Gaithersburg, Maryland 20882

County:

Montgomery County, Maryland Department of Public Works &

Transportation

Office of Real Estate

101 Monroe Street, 10th Floor

Rockville, Maryland 20850

With a copy, that does not constitute Notice to:

Montgomery County, Maryland Office of the County Attorney

101 Monroe Street, 3rd Floor

Rockville, Maryland 20850

- 28. <u>RESIDENT AGENT</u>: The Resident Agent for the Licensee is Paul Holzberger and its address for receipt of notices and service of process is 25114 Vista Ridge Road, Gaithersburg Maryland 20882. The Licensee must immediately notify the County of any change in resident agent or resident agent's address.
- 29. <u>PROHIBITION OF HAZARDOUS SUBSTANCES</u>: The Licensee agrees not to store or bring hazardous substances onto the Licensed Premises. The Licensee indemnifies the County against any and all claims of any personal injuries or personal and

real property damage as a result of any hazardous substance being brought on the premises by the Licensee, its agents, contractors, employees or guests.

- 30. <u>NON-APPROPRIATION</u>: This License shall terminate automatically on July 1 of any year for which the County, for whatever reason does not appropriate funds to pay the County's obligations provided in this License. The Licensee shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.
- 31. <u>AMERICAN DISABILITIES ACT REQUIREMENTS</u>: The County and the Licensee agree that any future modifications made to the Licensed Premises will be made in conformance with the requirements of the Americans with Disabilities Act, the Federal Fair Housing Act, and all safety and accessibility requested in Federal, State and County Laws and regulations. The Licensee must obtain all required permits to make any modifications to the Licensed Premises and must comply with all applicable building and safety codes.

32. <u>CONTRACT SOLICITATION/BROKER'S FEES OR COMMISSIONS</u>:

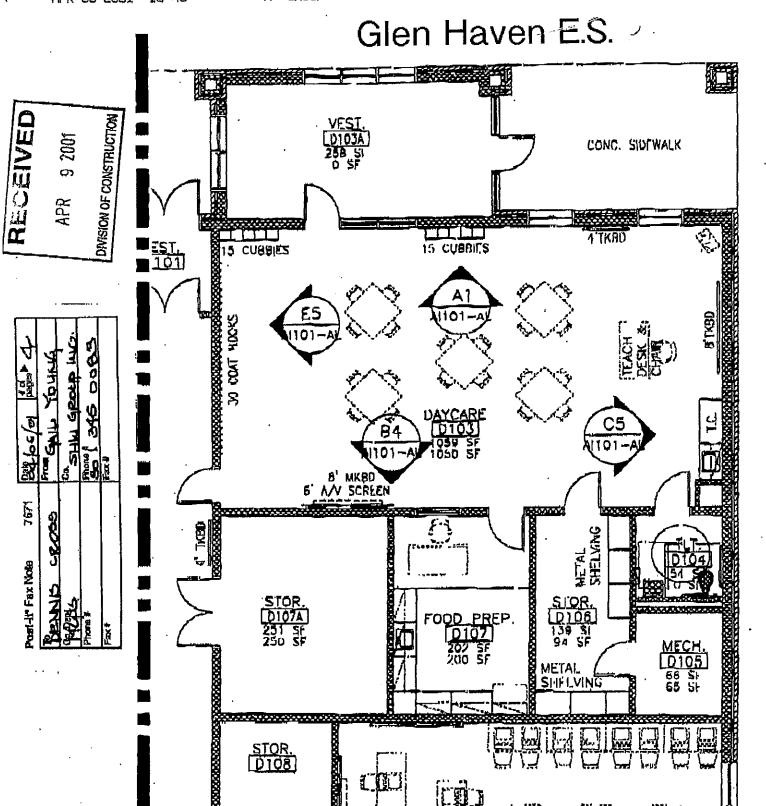
The Licensee represents that it has not retained anyone to solicit or secure this License from the County upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established, licensed, commercial selling or leasing agencies maintained by the Licensee for the purpose of securing business or an attorney rendering professional legal services consistent with the applicable canons of ethics of the profession.

33. <u>FORCE MAJEURE</u>: Neither Party will be deemed in default with respect to the performance of any terms, covenants, and conditions of this License if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or upsurged power, sabotage, inability to obtain any material or service, through natural or other cause beyond the control of either party; provided, however, that this provision shall not excuse any non-payment of License Fees. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a Party.

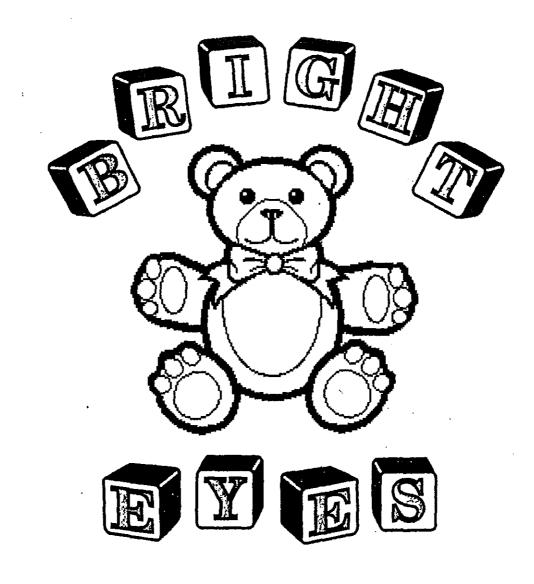
- 34. <u>ENTIRE AGREEMENT</u>: This License (which contains and includes the Exhibits) is the entire agreement between the Parties, and no representations, inducements, or agreement, oral or otherwise, between the Parties not contained in this License shall be of any force or effect.
- 35. <u>MODIFICATION</u>: This License (other than the Rules and Regulations, which may be changed from time to time) must not be modified in any manner except by an instrument in writing executed by both Parties with the same formality as this License.
- 36. <u>GOVERNING LAW</u>: This License and its performance is to be governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland.
- 37. <u>CLAIMS</u>: Any action brought by or on behalf of either Party in connection with the performance of this License must be filed and maintained in a court of competent jurisdiction in Montgomery County, Maryland.
- 38. <u>INDEMNITY BOND</u>: Upon the request of the County, concurrent with the effective date of this License or at any time during the term of this License, the Licensee must obtain and maintain an executed miscellaneous indemnity bond in the amount of the annual rent for the current License Term to remain in full force and effect throughout the remainder of the License Term as security for the Licensee's faithful performance of all terms and conditions of this License. The County shall have the right, but not the obligation, to request such a bond from the Licensee. The County, in its sole discretion, may accept an appropriate substitute surety. The Licensee must, within fifteen (15) days from the date of the request by the County, deliver to the County, the said surety, evidencing the coverage stated in this Paragraph. Failure to deliver the bond or surety as required is considered by the County to be a default under this License.
- 39. <u>PARKING</u>: The Licensee is entitled to full use of the parking facilities which are a part of the Licensed Premises as of the date of execution of this License. Parking for the Licensee and any other occupants of the building, their staff, clients and guests will be confined to the surfaced parking areas in existence as of the date of execution of this License.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed. WITNESS: COUNTY: MONTGOMERY COUNTY, MARYLAND By: Joseph F. Beach, Assistant Chief Administrative Officer WITNESS: LICENSEE: BRIGHT EYES, INC. By: Title: Date: APPROVED AS TO FORM & LEGALITY RECOMMENDED OFFICE OF THE COUNTY ATTORNEY Cynthia L. Brenneman, Director Office of Real Estate

Date: 5/9/05



FURNITURE & EQUIPMENT 1st FLOOR PLAN - AREA "D" ALT.2



CHILD CARE CENTERS

PROPOSAL PREPARED FOR GLEN HAVEN ELEMENTARY SCHOOL SITE

Applicant:

Bright Eyes, Inc.

25114 Vista Ridge Rd. Gaithersburg, Md. 20882

Phone Numbers:

301-928-7201 Contact

301-482-2641 Corporate Office 301-946-2776 (Silver Spring center) 301-948-8373 (Gaithersburg center) 301-482-0658 (Damascus center)

301-984-5672 (Timberlawn Crescent center)

Fax Number:

301-482-2641

Contact Person:

Diana or Paul Holzberger

Bright Eyes, Inc. is solely owned and operated by Paul, Diana and Thomas Holzberger and has been operating since December 1990. Our centers in Gaithersburg and Timberlawn Cresdent have current accreditation through the National Association for the Education of Young Children (NAEYC). Our center at Silver Spring is waiting for a revisit for our accreditation renewal and our center in Damascus is in the self-study process to renew our accreditation. Silver Spring and Gaithersburg are in operating elementary schools and our centers at Damascus and Timberlawn Crescent are free standing centers.

Prior to opening our first center our home was licensed as a family day care home serving Viers Mill Elementary School for seven years.

In addition to our child care experience, all three of us have been involved in many different sport clubs, Scouts and other clubs and activities. Paul and Diana's children attended Viers Mill Elementary School and while they were there, they were very active members of the PTA. Diana served on the Executive Committee for three years along with numerous other committees, and they were also both volunteers at the school.

We love working with children and their families and look for this trait in the staff that we hire.

We are members of the National Association of Young Children, have served on the Montgomery County Board of Education Bell Times study group representing child care centers in Montgomery County, and Diana has been on the Executive Committee of the Organization of Child Care Directors for the past six years.

In addition, both Diana and Thomas are qualified as Directors by the Child Care Administration.

CURRENT PROGRAMS Bright Eyes Child Care Center Name: Viers Mill Elementary School Location: 11711 Joseph Mill Rd. Silver Spring, Md. 20906 Hours of Operation: 7:00 AM - 6:30 PM, Monday - Friday Ages and Number of Children Served: Infants: 6 2 year olds: 10 3 and 4 year olds: 22 Kindergarten: 1st – 5th Grade: 8 39 Director: Renee Miller Jamie Virga, Principal **Building Manager:** 301-929-2165 Bright Eyes Child Care Center Name: Location: Thurgood Marshall Elementary School 12260 McDonald Chapel Dr. Gaithersburg, Md. 20878 7:00 AM - 6:30 PM, Monday - Friday Hours of Operation: Ages and Number of Children Served: 2 year olds: 4 20 3 and 4 year olds: Kindergarten: 20 1st - 5th Grade: 81 Director: Mary Ponton Mary Wilson, Principal **Building Manager:** 301-670-8282 Name: Bright Eyes Child Care Location: 9625 Main St. Damascus, Md. 20872 Hours of Operation: 6:30 AM - 6:30 PM, Monday thru Friday Infants: Ages and Number of Children Served: 6 15 2 year olds: 3 and 4 year olds: 22 Kindergarten: 1st - 5th Grade: 7 21 Karen Kerber Director: Montgomery County Government **Building Manager:** 301-664-3597 Name: Bright Eyes Child Care Location: 5707 Luxemburg St. N. Bethesda, Md. 20853 Hours of Operation: 7:00 AM - 6:30 PM, Monday thru Friday Ages and Number of Children Served: Infants: 12

Director:

Building Manager:

2, 3, and 4 year olds

22 Diana Holzberger/Cheryl Epps

Jerry Matthews, HOC 301-929-5648

5622 Haddington Drive Adamstown, Maryland 21710

February 25, 2004

To Whom It May Concern:

Our daughter has been attending Bright Eyes Center since August 2003 and has grown in all areas.

She has matured academically, as well as socially. She has learned how to identify upper and lowercase letters, recognize letter sounds, and count numbers to twenty. She enjoys learning and going to her "school" everyday because of the caring and dedicated teachers which make her day special. She has grown socially because of the age appropriate activities carefully planned and implemented each day.

The teachers also have helped us as parents become more aware of our own daughter's academic and social development. Bright Eyes plans important at home projects to involve parents in completing homework and family activities. These activities are age appropriate and academically sound. Bright Eyes also has family events at the center to involve each family to be an intricate part of the educational progress.

Bright Eyes is definitely the perfect match for our family. The teachers pay special attention to each individual child and parent everyday. This dedication and enthusiasm makes the transition from home to Bright Eyes easier for our family.

Sincerely,

Mhy HA Debbre Jacine Mike and Debbie Facine

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VIERS MILL ELEMENTARY SCHOOL

11711 Joseph Mill Road Silver Spring, MD 20906

To Whom It May Concern,

I am writing to provide the highest recommendation possible to Bright Byes Day Care, owned and operated by Diane and Pete Holzberger.

Bright Eyes Day Care has been an integral part of the Viers Mill Elementary School community since the school was renovated in 1991. As part of the renovation of the building, Montgomery County dedicated several rooms in the renovated building as a day care location. I have been principal of Viers Mill ES since 1997. In my years at Viers Mill, I have seen Bright Eyes serve as a tremendous support to our community's students, parents, and school staff

Viers Mill students who attend Bright Eyes benefit from activities before and after the school day. Before school, they get to participate in academic and social activities that enrich their mornings and help them be prepared for the school day. After school, Bright Eyes provides a setting for students to do their homework, study, and enjoy recreation time.

Viers Mill community parents benefit from Bright Eyes ability to provide high-quality day care at a reasonable price. Many working parents rely on Bright Byes to provide safe and reliable care for their children while they are at work. Parents are very appreciative of the support they receive from Bright Eyes. In fact, Bright Eyes parents are the most enthusiastic and vocal cheerleaders for the program.

Bright Eyes has supported our school community in numerous ways. Bright Eyes staff have served as baby-sitters at our Family Learning Nights. While parents and school-age students attend programs, a trained Bright Eyes staff member supervises pre-school children. Offering this service has increased our attendance at these Family Learning Night events. Bright Eyes has also made annual donations to help support instruction at our school. These funds have been used to buy library books and technology resources. In addition, having Bright Eyes in our building has helped me, as the principal, to recruit and retain high-quality teachers for my students. At present, five members of our teaching staff have young children attending Bright Eyes. These teachers have told me that the presence of Bright Byes in the building played a significant role in their decision to remain teaching at Viers Mill after their babies were born.

Diane, Pete, and the entire staff of Bright Eyes Day Care are an important part of the Viers Mill family. Their dedication and commitment have enhanced our whole school environment. I highly recommend Bright Byes Day Care as a high-quality addition to any school community. Please feel free to contact me at 301-929-2165 if you have any questions.

Sincerely,

James J. Virga

Principal

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February 26, 2004

To Whom It May Concern:

I am writing this letter to tell how much Bright Eyes Daycare Center has been a blessing to me and my kids. I would like to start by letting you know a little about me and my kids. My daughter Sheri has now attended Bright Eyes for about three and ½ years. My Son Marco has been going for almost 2½ years. The father of my kids past away on March 9, 2002 and Bright Eyes Daycare showed me what a real Daycare Center is all about. The comfort and support of the staff and the kids was overwhelming. When I think of Bright Eyes not only do I think of a Daycare center but I think of a Home away from home for my kids and myself. There has never been a dull moment with my kids going to Bright Eyes. My kids love the staff and when I mean love them its' to a point where when one gets in trouble at home, they love to say I can't wait tell I go to Bright Eyes. The daycare is well managed, on point, clean, and most of all thoughtful to the children well being. I could sit here and write a novel on Bright Eyes, but I think that pretty much sums it ups.

Sonya Addison

PHILOSOPHY

To provide a loving, stimulating, environment where children are free to learn and grow while in the care of gentle, warm care givers. To provide a program in which children can grow physically, emotionally, socially and cognitively at their own pace. To provide a developmentally appropriate curriculum that takes into consideration the changing interests of the children. To help children celebrate and share their culture. To respect all children and to help them to respect themselves and others.

OBJECTIVES

- *To provide a quality child care center, accredited by NAEYC, sensitive to the needs of the whole family and community.
- *To encourage parent involvement in our program.
- *To provide programs and activities that are stimulating and varied, programs that children are eager to attend each day.
- *To encourage children to develop self-control and learn peaceful conflict resolution skills.
- *To work with the family as a team to provide the best possible care for their child.
- *To provide a place for children to have time for homework, arts and crafts, games, sports and hobbies.

We know that in the past our program has grown and changed due to parent comments and suggestions. We know that working parents have a very busy schedule and anything we can do to make their life easier is worth the effort. We include several ways for parents to be involved in our program.

The demographics for the student population at Glen Haven very closely resembles the demographics at our Viers Mill Elementary School site in Silver Spring. We work very closely with our parents to make sure that their needs are being meet.

We send Bright Eyes annual evaluations for parents to complete, to rate our program and to give comments for improvement. In addition we send NAEYC evaluations home. It is very important to us that we provide the services that the community is looking for.

AGES AND NUMBERS OF CHILDREN

Room

Bright Eyes at the Glen Haven Elementary School Child Care Site would plan on serving the following numbers of children:

1 room of 20 - 3 and 4 year olds (this room could be sub-divided, depending upon licensable square footage to accommodate up to 30 children in two groups of 15. This would enable us to provide care for more children.) 2 Groups of 30 children to be housed in the All Purpose

These numbers are approximate but reflect Child Care Administration guidelines for group size. All final numbers would be determined based on licensable square footage.

The children in the All Purpose Room would be in two groups. Kindergarten through Second Grade in one group and Third through Fifth grade in the other group. These groups could be flexible so that siblings desiring to be in the same group could be accommodated, conversely siblings that wished to be separated could be as well. By breaking the children down in groups we would be able to provide age appropriate clubs and activities for the school age children.

OPERATION OF THE PROGRAM

Bright Eyes will operate Monday thru Friday, year round, from 7:00 AM - 6:30 PM. We will be open on all half days and during all school breaks.

We will close in observance of the following holidays:

New Year's Eve Memorial Day
New Year's Day Independence Day

Martin Luther King's B'day
President's Day
Thanksgiving and Friday

Good Friday Christmas Eve Easter Monday Christmas Day

Bright Eyes follows the policy of the Montgomery County Board of Education Administrative Offices in the event of emergency closings. If the Administrative offices close or open late, we close or open late. If the Montgomery County Public Schools open late or close (but the Administrative offices are open) we will open one hour late at 8:00 AM. This will allow for safe arrival of our staff and children.

SPECIAL POPULATIONS

Bright Eyes has a strong commitment in trying to meet the needs of families that desire part time care. All of our programs include options for parents to choose whether their child will attend full time or part time. We have some children who come as little as one day a week. Parents are free to choose for their child to come any combination of days as long as those days stay consistent each week. We offer occasional care, when space is available, and when we are able to meet licensing regulations. However, at the current time all of our programs are full and have waiting lists so the opportunity for occasional care does not realistically exist. We offer before school only care, after school only care, before and after school care, Head Start and EEEP wrap, and full day and half day pre-school.

We have always accepted children on Working Parents Assistance Program subsidies and subsidies available through the DSS Purchase of Care Program, HOC vouchers, and the FEEA subsidy program. We work very closely with parents to help them obtain any financial assistance that is available to them. We offer special payment plans when needed. Each parent knows that all they have to do is talk to us and we will work with them regarding payments.

At Bright Eyes we have always strived to serve children and families with special needs. We currently have children who have asthma, developmental delays, speech delays, lactose intolerance, severe allergies, vision and hearing impairments, ADD and ADHD. We serve children enrolled in the PEP program, one child who is diabetic and one child who has Cerebral Palsy and is confined to a wheel chair. In the past we have served several children with epilepsy. Our goal is to have all children feel loved, accepted and safe at Bright Eyes.

SPECIAL PROGRAM FEATURES

If Bright Eyes is chosen to be the child care provider at Glen Haven Elementary we will would offer priority enrollment to families currently enrolled at the existing child care center. Priority enrollment would also be given to children of teachers in the building and pre-school children in the school boundaries.

Bright Eyes works closely with the Mental Health Consultants from Montgomery County so that we may help families receive early interventions when needed. This has proven to be very helpful for both our staff and for our families. We have been able to identify red flags with the assistant of the Mental Health Consultants, who have helped us to work with families to receive assistance. In addition, the Consultants have helped to train our staff on how to deal with some of these issues. Bright Eyes has been participating in the Early Reading First Grant and all of our pre-school children are working on reading readiness skills that will make them successful readers.

Bright Eyes has a strong commitment to community service. In the past we have conducted canned food drives, collected Toys for Tots, conducted Trike-A-Thons for St. Judes hospital, done the Bunny Hop for the Juvenile Diabetes Foundation, made quilts for the Binky Patrol for babies with HIV, walked for the homeless, collected cereal for Manna, did a blanket drive, and our staff participates in the annual Walk for Diabetes.

- *Bright Eyes provides computers for our children. Our pre-school children participate in a weekly gymnastics class. A gym bus comes to our centers once a week and Bright Eyes pays for a portion of the children to participate. Most children get to go every other week, parents can supplement Bright Eyes financial support so that their children attend every week. Our pre-school and school age children go on field trips. During the summer, our school age children swim weekly, as well as go on other field trips. Our Recreation Director visits each of our centers during the summer to provide games, sports and weekly competitions with the other Bright Eyes. There are no extra fees for most of these activities. They are provided at Bright Eyes expense. Parents may be asked to help finance one trip a year and Bright Eyes will provide for those who can not afford the expense.
- *We encourage parents to become very involved in our program, we feel that this will have the greatest impact of all for the children and community. With the help of the parents and families we can all work together to make sure that the children are getting quality care and programming.
- *Bright Eyes offers a 5% discount to families with two children enrolled in our program and a 10% discount to families with three or more children enrolled.

 *Bright Eyes provides scholarships to families on POC or WPA vouchers. No copays are required if vouchers cover 90% of fee for one child, 85% for two, and

80% for three or more.

TIME LINE

Approximately end of April - Receive notification

Immediately – Submit "Letter of Intent" to Child Care Administration Register for Child Care Administration Orientation as required.

May 1, 2004 – Arrange to meet school principal and possibly to tour site.

Have printer begin making forms for new center

Contact ICB to begin arrangements for renting All-Purpose Room.

May 8, 2004 – Begin making purchases. Notify Erie Insurance of changes to policy.

May 15, 2004 – Begin to distribute flyers to parents at Glen Haven Elementary School, either thru the PTA or by door to door distribution.

June 1, 2004 - Submit application to Child Care Administration
Begin advertising for staff – priority, Director
Begin registration process for families.
Continue purchases.

June 15, 2004 – Contact Fire Marshall about inspection

July – Continue communication with Child Care Administration and Glen Haven Elementary School administration. As construction progresses we should have better idea of when we will have access to space to set up our program and when to have our licensing inspection. From past experience we know that most likely we will not get in until after the first week of August.

Mid–July – Continue hiring and registrations of children.

Begin setting up files for new children and staff.

Communicate with all new enrollments to keep them current on our progress.

First week of August – Hopefully gain access to program site.

Begin setting up office, kitchen and classroom.

Orientation, CPR and First Aide for all staff.

Approximately August 15, 2004 – Licensing inspection.

August 30, 2004 - First day of operation.

If everything works according to schedule we would like to have an open house to coincide with Glen Haven ES back to school open house.

FEE SCHEDULE

	Monthly	Weekly	Daily	
Pre-school (3 or 4years)full day	\$672	\$155	\$34	
Pre-school (3 or 4years)half day	\$325	\$ 75	\$18	
Head-Start, Pre-K	\$542	\$125	\$28	
Head-Start, Pre-K complement		\$ 75	\$18	
School – Age 1 st – 5 th grade				
Before & After school	\$434	\$100	\$23	
Before school only		\$ 45	\$11	
After school only		\$ 78	\$19	
Summer care 1 - 5 weeks		\$155	\$34	
6-9 weeks		\$165	\$36	
Registration fee		\$30		
Late pick up fee		\$5 every 10 minutes or portion thereof/ per child		
Late payment fee		\$5 per day		
Returned check fee		\$25 per check	ζ	
Deposit		One weeks fe	e	

All rates are per child. Rates are reviewed annually and change with the start of the new school year.

Discounts – Families with 2 children receive 5% discount off the total fee; families with three or more children receive 10% discount off the total fee.

There are no other fees or charges to parents. Most activities, events or field trips are paid for by Bright Eyes.

PROPOSED PERSONNEL

Bright Eyes at Glen Haven Elementary School Site would be staffed with 1 Director, 1 Assistant Director, 2 Senior Staff, 3 Group Leaders and about 6 aides. We will maintain at least the minimum staff/child ratios, however our ratios are usually better than required. In addition to these staff members Paul, Diana and Thomas Holzberger are very involved as owners and will be at each center on a regular basis to oversee the operation of the program and office support. Bright Eyes also employs an Education Director to visit the site monthly and Thomas also serves as a Recreation Director and provides activities for the children and oversees the school age program.

Director Responsibilities:

Maintain licensing regulations at all times.

Maintain NAEYC standards.

Be available to parents, staff and children.

Meet with all prospective parents.

Process paperwork for new admissions.

Prepare parent communications, including newsletter.

Hire new staff.

Prepare weekly staff schedules.

Oversee preparation of weekly snack menu.

Responsible for the orientation and training of new staff.

Do observations of staff in classroom.

Meet with staff regularly to discuss program.

Prepare staff memos.

Prepare staff evaluations.

Attend necessary training and workshops.

Plan and make arrangements for workshops for staff. .

Make arrangements for substitutes.

Receive all child care payments, bill for missing payments and miscellaneous fees.

Keep records of late payments, sickness and attendance.

Process WPA, DSS, and HOC paperwork.

Observe children.

Maintain personnel and children's files.

Communicate needs of center to owners.

Oversee petty cash expenditures.

Arrange community outreach projects.

Maintain open communication with the staff and Administration of Glen Haven ES.

STAFF BENEFITS AND SALARY RANGES

Director \$39,000+ Assistant Director \$29,900+

Senior Staff \$10.00 - 11.50/hour, FT \$9.50 - 11.00/hour, PT

Group Leader \$10.00 – 11.50/hour, FT \$9.50-11.00, PT Aides \$7.50 – 8.50/hour, FT \$7.25 – 8.25/hour PT

The Director and Assistant Director are eligible for three bonuses per year, based on performance and the revenue of the center. The Director is eligible for 1% of the revenue, and the Assistant Director is eligible for ½ %.

All full time employees are eligible for the following benefits:

*Paid vacation leave – one week after every six months (after 7 years with the company they receive one week every four months).

- *Paid sick leave accrued at the rate of four hours per month.
- *Paid holidays and birthday off
- *Workers Compensation
- *Unemployment Insurance
- *Social Security
- *Health Insurance Bright Eyes will pay 70% of monthly fee, currently provided by Kaiser Permanente.
- *Child Care Up to one half the pre-school rate per week for one child within licensing regulations, as space permits.
- *Pension Plan- 401K profit sharing plan
- *Christmas Bonus \$100 for every year of service
- *Dental Insurance Bright Eyes will pay 70% of monthly fee (Optimum Choice).

All part time employees are eligible for the following benefits:

- *Paid vacation leave equivalent of average number of hours worked per week, after every sick months.
- *Paid sick leave .25 times average number of hours per month, accrued every month.
- *Paid holidays and birthday off- after 6 months continuous service.
- *Workers Compensation
- *Social Security
- *Unemployment Insurance
- *Pension Plan 401K profit sharing plan
- *Christmas Bonus \$100 for every year of service

Education Plan – Available to all full time employees and all Senior Staff and Group Leaders. Bright Eyes will pay for up to 12 semester hours per year, books and tuition. Must be for courses in Early Childhood Education or toward the completion of the Child Development Credential.

STAFF ORIENTATION AND TRAINING

Bright Eyes provides an orientation meeting for all new hires that is mandatory, and required by licensing. During this meeting, we go over licensing regulations, our philosophy, discipline policy, guidelines for reporting abuse and neglect, staff handbook, and attendance policies.

Staff members are offered many opportunities to attend training both on site and at other locations, at Bright Eyes expense. We have brought in trainers from MCCA, Connect for Success, Academy Training, First Connection, Montgomery College, and First Aid and CPR trainers. All staff are required to participate in 6 hours of training per year, although we definitely advocate more. Staff are free to choose which workshops to attend, but we do give them guidance based on our observations of their performance.

Staff are offered opportunities to evaluate their own performance, as well as be evaluated by their Director and the owners.

Bright Eyes will maintain a library or reading materials based on curriculum and child development that is always available to staff.

In addition to the training workshops Bright Eyes strongly encourages all staff members to pursue a degree in Early Childhood Education and provides financial assistance as a benefit. We also work with staff to submit for scholarships through the Early Childhood Enhancement Scholarship offered by Montgomery County.

Bright Eyes in also encouraging staff to apply for the Child Care Credential which gives them bonuses based on their education and experience and provides tuition assistance for training.

COMMUNITY OUTREACH

Bright Eyes will reach out to the families and community at Glen Haven Elementary School. In the past we have conducted canned food drives, collected Toys-for-Tots, conducted Trike-A-Thons for St. Judes hospital, done the Bunny Hop for the Juvenile Diabetes Association, had summer carnivals, and made annual contribution to the schools we share space with. Our children take field trips in the community. Our children have also participated in the Binky Patrol where they decorated quilt squares for blankets to be presented to babies with HIV. At one center, our children helped with a butterfly garden at a nearby Senior Center and had game days and a fashion show for the Seniors. Our staff participates in the Walk for Diabetes each year. We have sponsored vision checks for pre-school children through the Lions Club that were open to all children in the community, not just children in our program.

We will look for ways to be a contributing part of the Glen Haven Elementary School community, both within and outside the school. It is very important to Bright Eyes that our children and staff are participating members of the community that we are housed in.

REGISTRATION AND ADMISSION

Bright Eyes will give priority admission to the children of the Glen Haven Elementary School staff and to children and families in the Glen Haven Elementary School district. After that, children are awarded space on a first come, first serve basis. At the present time, all of our centers are operating with waiting lists.

There is no cost and no obligation to be on the waiting list. When spaces open up, we go to the waiting list and start making phone calls. When called, families have the option of placing their children in our program at that time, removing their names from the waiting list, or going to the bottom of the list.

We have operated with a waiting list for several years and have had no problems; most families are placed within a few months of being placed on the waiting list.

PARENT ACCESS, COMMUNICATION, AND ROLES

Bright Eyes believes that the center staff and parents need to work together to provide quality care for the children. Parents are welcome and encouraged to visit Bright Eyes at any time. No appointments are necessary. Parents are also encouraged to participate at Bright Eyes as often as possible. They can be classroom volunteers to read a story, sing songs, rub a back at nap time, dance, assist with an art project, share a hobby or tradition with the children, participate in our Week of the Young Child Activities, or lead a game. They can chaperone on field trips, attend class parties, donate a snack, do a cooking project with the kids, or help decorate the rooms. They can attend conferences. They can attend family dinners or have coffee and donuts with us. They can attend First Aid and CPR classes with our staff. They can give us their suggestions and ideas. They can complete annual evaluation forms.

Parents are a valuable asset and an important part of our program. They are always welcome!!

Bright Eyes will send home memos and monthly newsletters to keep parents informed. Most importantly, Bright Eyes staff will be available to chat with parents daily. Bright Eyes encourages parents to share their feelings, concerns, and suggestions about their child's care. Parent conferences are held yearly but are available whenever necessary. Parents are encouraged to call or drop us a note or E-mail whenever the need arises.

PARENT EVALUATION FORM

A sample parent evaluation form is reprinted below. In addition to this form we also use the NAEYC parent questionnaire. These forms are provided to parents annually. We sometimes use contests to entice parents to return the forms. Feedback is very important to us.

EVALUATION FORM

Our center's staff recognizes the importance of home-center relationships and communications in promoting the development of your child. So that we can continue to provide quality care for your child, please take the time to complete this questionnaire and provide us with feedback concerning our relationship with you and your child. Your opinions and concerns are important to us.



We greatly value the information that your answers to these questions provide. We would also appreciate any additional comments, concerns, or suggestions you might have. Please use the back of this form for that purpose. Thank you.

l.	My child has been enrolled at Bright Eyes for
2.	I have opportunities to chat with my child's caregivers in daily in weekly in monthly
3.	Feedback on my child is usually delivered to me personally in writing by telephone
4,	When having to discuss my child with center staff, I feel comfortable uncomfortable
5.	I feel that the program and themes at Bright Eyes in meet my child's needs in do not meet my child's needs
6.	My child's caregivers can best be described as
7,	The forms of discipline that are used are satisfactory
8.	I have had opportunities to participate in the program Once Once Indicate
i 0.	My favorite thing about the program is
11,	If I could change one thing about the program, it would be

DAILY SCHEDULES

Pre-school room

7:00-9:00 Arrivals and free play

9:00-9:10 Wash hands, get ready for snack

9:10-9:30 Snack

9:30-9:40 Circle time; stories, finger plays

9:40-10:20 Activity and learning centers

10:20-10:50 Art and creative expression

10:50-11:10 Music, creative movement

11:10-11:40 Outside play

11:40-12:00 Come inside, wash up, story before lunch

12:00-12:30 Lunch

12:30-12:40 Bathroom time

12:40-1:00 Story time, settle down for nap

1:00-3:00 Naps or quiet time

3:00 – 3:15 Put away cots, change diapers, and wash hands for snack

3:15 - 3:40 Snack

3:40-3:55 Circle time, stories, finger plays, songs

3:55-4:30 Outside time

4:30 – 5:30 Activity and learning centers

5:30 - 6:00 Table toys

6:00-6:30 Departures

A ½ day pre-school program, if desired by community, would follow the same schedule up until 1:00 when the children enrolled in the ½ day program go home.

School Age Daily Schedules

7:00 - 9:00 Arrivals and center play (outside time for those who wish to participate in early outdoor play.)

9:00-9:15 Clean up and get ready for school

3:30 Arrive back from school, attendance taken, children put belongings away

3:45 – 4:30 Outdoor play, sports, games and free play

4:30 Snack

4:30 -5:15 Homework and quiet time

5:15 – 6:00 Active games and activity centers

6:00 -6:30 Departures, puzzles, table and card games.

For children in PM Head-Start or PM Pre-K Complement

9:00-9:15 Snack

9:15 - 9:30 Circle time and discuss days activities

9:30 - 11:00 Activity and learning centers

11:00-11:45 Outside time

11:45 – 12:00 Clean up, wash hands and AM Head Start and Pre -K children return

12:00 - 12:30 Lunch

12:30 -12:50 Books, games and PM Head Start and Pre-K children get ready to leave.

For children enrolled in AM Head-Start or AM Pre-K Complement

12:50 -1:00 Circle time

1:00 - 2:30 Activity and learning centers

2:30 - 3:15 Outside play

3:15 – 3:30 Clean up, wash hands, PM children return and other complement children get ready to go home. All day Head Start and Pre-K children stay for afternoon activities with Pre-School children.

FOOD SERVICE

Bright Eyes will provide a morning and afternoon snack. A typical snack menu follows:

Monday

AM - Waffles, juice

PM - Tuna fish on pita bread, juice

Tuesday

AM - Bagels, juice

PM - Grilled cheese sandwiches, juice

Wednesday

AM -- Cereal, milk

PM - Graham crackers, juice

Thursday

AM - Crackers, cream cheese, juice

PM – Butterscotch pudding, juice

Friday

AM – Fruit cup, milk

PM - Oatmeal cookies, juice

Children should bring their lunches from home. We will have microwaves available to heat anything that needs to be heated. Milk is always available.

SPECIAL PROGRAM FEATURES

Bright Eyes has grown greatly in the 13 years that we have been operating centers in Montgomery County. We are always looking for ways to improve our programs. We do this by sending home parent evaluations which specifically ask what we can do to improve our program and by asking the children what they are interested in.

In addition we participate in many training opportunities and subscribe to several professional magazines so that we can stay abreast of new and exciting activities to bring to our program. We have adjusted our programs at the two elementary schools that we serve so that we were able to meet the needs of teachers at those schools.

We are currently participating in the Early Reading First Grant. Our participation is enabling us to be a model center for pre-school reading readiness. This program also extends the readiness skills into every other area of the curriculum for pre-school children. We have attended some preliminary training on the Maryland Model for School Readiness and look forward to implementing this in our classrooms as we gain more knowledge.

Our pre-school children participate in weekly gymnastic classes, presented by Life for Kids. We take many field trips, our school age children swim weekly during the summers. These opportunities are funded by Bright Eyes.

We have computers in the classrooms and offices and have software for children age 2-12 We have Nintendo and Playstation for our school age children – but we are very careful about the games they are allowed to use and the amount of time they spend at these activities. Games that promote violence are not allowed.

We have presented Dramatic Arts Workshops for our children. We have had visits from storytellers and magicians.

We have a Recreation Director who visits our programs. He provides sports and organizes competitions among the different Bright Eyes sites during the summer with the school age children. The children love this opportunity.

We encourage our children to participate in community service activities.

We are currently negotiating with a local artist to provide art activities for our children.

We celebrate Stand for Children Day and the Week of the Young Child each year with special activities for our children and families.

DISCIPLINE POLICY

Children will be taught problem solving techniques and encouraged to use their voices in a calm manner to settle disputes. They will be taught the ABC's of the Peacemaking Curriculum.

A - Ask each party what happened

B - Brainstorm possible ways it could be handled

C – Reach a consensus of ways to handle the situation in the future that involve Compromise and Communication.

Children will be expected to use the ABC's to settle disputes. When children find that they are not able to do this they may be asked to remove themselves from the game or situation that is causing the conflict and if necessary to pursue a solitary activity; such as reading a book, doing a puzzle, or independent art work for a period of time.

Parents will be kept informed of their child's behavior. If there is a continual problem a conference may be scheduled and a Behavior Modification Contract may be used.

If a child exhibits behavior that threatens the physical or mental health of any child or staff at Bright Eyes we may terminate the enrollment of the child. However, this is a last resort. Every effort will be made to work with the child and the parents to ensure a successful solution.

Staff are not to use physical force or to humiliate any child enrolled at Bright Eyes. Use of either of these two methods is grounds for immediate dismissal.

Staff members are give a copy of our Discipline Policy and asked to sign it upon employment. Parents are made aware of our policy through our Parent Handbook and written information that is available in our office.

In addition, school age children develop a set of guidelines for appropriate behavior that is typed up and children and parents sign.

FIELD TRIPS AND COMMUNITY EXPLORATION

We know that children learn best from hands on experiences. This fact is what makes field trips an important part of our curriculum. Pre-school children are taken on trips to such places as the pumpkin patch, dentist office, hospital tours, fire stations, the library, to a puppet show, Strathmore Hall, the grocery store, the pet store, a florist shop, Chuck E. Cheese, nearby parks, and many other places.

School age children go swimming in the summer, hiking, bowling, Putt-Putt, Strathmore Hall, Wheaton Regional Park, Meadowside Nature Center, Rainforest Café, to tour a recycling plant, to Montgomery County Airpark, to the movies, or other places of interest.

Transportation for these trips would be provided by Bright Eyes in our bus and vans. (We are in the process of replacing our vans with buses). Parents are asked to participate on field trips and do occasionally drive.

In addition to these trips we will take nature walks and walking trips in the neighborhood. Sometimes these trips will be to explore and look for certain items. Sometimes it may be to collect trash. Sometimes it may be just for fun.

Field trips are planned to coincide with theme areas and to help children learn more about the neighborhoods where the children live.

EVALUATION PLAN

Bright Eyes believes that it is very important to have input from parents and outside evaluators. We will begin the self-study for NAEYC accreditation right away. In addition we will have our parents complete Parent Evaluation forms yearly and give us feedback through surveys, conferences, and questionnaires at various times throughout the year. Parents are always invited to share their comments, concerns and suggestions.

Bright Eyes has a program Education Director, with a Master's Degree in Early Childhood Education, who visits our centers regularly to conduct classroom observations and talk with the center Directors regarding the quality of our programs. Both our Education Director, who is also a validator for NAEYC, and the program Executive Directors has been trained in the ITERS, ECERS, and SACERS rating scales and we use these is evaluating our classrooms. We believe that it is our duty to continually look at, evaluate and change our program so that the children and families of Bright Eyes are receiving the best care possible.

INSURANCE REQUIREMENTS

Bright Eyes is currently insured by Erie Insurance Group.

Our Workers Compensation policy number is Q92 2600214M. The policy provides for \$100,000 each accident \$500,000 policy limit \$100,000 each employee

Our Commercial Liability policy is Q44 2650238M. This policy provides for \$1,000,000 each occurrence and \$2,000,000 policy aggregate. This policy provides coverage for contractual liability, premise and operations and independent contractors. It is an Ultra Flex policy that is very comprehensive.

Our Automobile policy is Q03 1630190M7. This policy provides \$1,000,000 each occurrence for Bodily Injury and Property Damage, \$500,000 per person and includes owned automobiles, hired automobiles and non-owned automobiles.

Our policy currently lists Montgomery County as an additional insured and copies of the policy are provided to Montgomery County Government, Division of Risk Management, 101 Monroe St., 15th Floor, Rockville, Md. 20850.

Our policy will contain a 60 day cancellation clause and the Certificate Holder will be

Montgomery County, Maryland Division of Risk Management 101 Monroe St., 15th Floor Rockville, Md. 20850

If Bright Eyes is chosen as the provider for this site the policies will be amended to include the new location.

Statement of Financial Responsibility

specif	list each such organization, corporation or firm by name and address; y the applicant's relationship, and identify the officers, directors or trustees
comm	on to the applicant:
	ibe the plan for financing the program, if funds for the leasing of the facilit perating the program will be obtained from sources other the applicant's
-	
	ources and amount of cash available to meet equity requirements of the sed venture:
	a.
	a
	b.

4. List the names and addresses of all bank references

5. Financial condition of applicant — attach previous two years financial statements.

6. Bankruptcy:

Has the applicant or, if applicable, the parent corporation or any subsidiary or affiliated corporation of the applicant or said parent corporation, or other interested parties been adjudged bankrupt, either voluntarily or involuntarily, within the past ten years?

7. Personal Interest: Does any member of the governing body of Montgomery County, Maryland, to which the accompanying application is being made, or any officer or employee of the aforesaid County who exercises any functions or responsibilities in connection with the carrying out of the project under which the program covered by the applicant's proposal is being made available, have any direct or indirect personal interest in the applicant?

8.If the applicant wishes, additional statements can be attached as evidence of the applicant's qualifications and/or financial responsibility.

C:\MSOFFICE\WINWORD\CRC\FACILITS\FINANC,M04

CERTIFICATION

I (We) <u>Diana and Paul Holzberger</u>				
Certify that this applicant's Statement of Qualifications and Financial Responsibility and the attached information of the applicant's qualification and financial responsibility are true and correct.				
I (We) also agree to comply with conditions stated in Montgomery County lease for child care spaced and that the scope of services as submitted in this completed application will be adhered to.				
Diana Holzberger Name	Paul Holzberger Name			
President Title	Vice-President Title			
25114 Vista Ridge Rd. Address	25114 Vista Ridge Rd. Address			
Gaithersburg, Md. 20882 City, State and Zip	Gaithersburg, Md. 20882 City, State and Zip			
Signature	Paul Hofbugy Signature			

March 12, 2004

Date

March 12, 2004

Date

NOTIFICATION OF PROPRIETARY INFORMATION

Please use this form to identify and **financial information** included in your application for child care space at the <u>Glen Haven Elementary School</u> Child Care Facility which is <u>not</u> Public Information.

Name of Applicant	Bright Eyes, Inc.	
	Paul and Diana Holzberger	
Indicate <u>specific</u> pages	or attachments which are proprietary financial information:	
	Pages 26, 27 and attached financial statement	
Signature Cul Date March	Wolbeger Diané & Abgergn 12/2004	

Please return this form with your application.

ATTACHMENT A

START UP BUDGET

Personn	ıel		
5	Salaries	Officers	\$ 0
		Director	\$ 500
		Senior Staff/Group Leaders	\$ 500
		Aides	\$ 300
Personnel costs prior to opening			\$1200
Office I	Equipment		
I	Desk, chair	s, files	\$ 630
• • • • • • • • • • • • • • • • • • •	Telephone of	& Installation	\$ 350
I	Photocopy	Machine	\$2500
Office E	Equipment o	costs prior to opening	\$3480
Prograi	n Equipm	ent & Supplies	
]	Rocking Cl	nairs	\$ 200
(Cots		\$ 360
	Tables and	Chairs	\$ 500
	Shelves		\$1000
l	Unit Blocks	s & Accessories	\$2820
	Dramatic P		\$2000
i.	Sand/Water	tables	\$ 310
4	Art Supplie	8	\$ 4500
. (Outdoor To	ys	\$ 650
	Table Toys	, Puzzles	\$2500
]	Books		\$ 750
1	Storage Co	ntainers	\$ 400
	Adult Size	Chairs	\$ 250
]	Music & Li	stening Stations	\$ 400
.]	Math & Sci	ence	\$ 400
Program	n Equipmer	nt costs prior to opening	\$14,040
	eeping Su		
]	Brooms, du	stpans, mops, trashcans, etc	\$ 400
Housek	eeping cost	s prior to opening	\$ 400

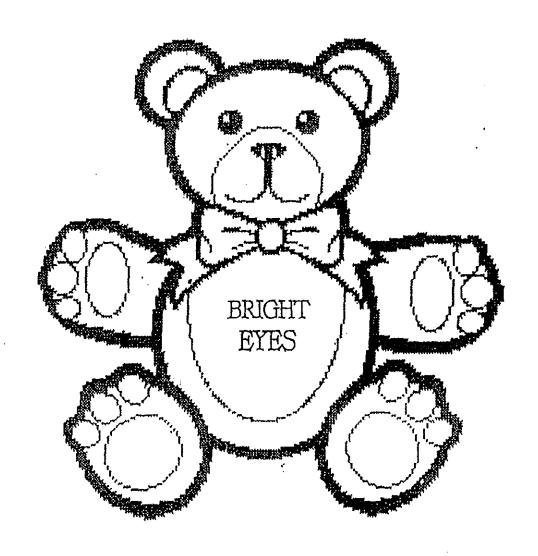
Food and Kitchen	
Paper Products	\$ 200
Kitchen equipment	\$ 300
Food	\$350
Table and Chairs	\$ 450
Food and Kitchen costs prior to opening	\$1300
Electronics	
TV, VCR, and Cart	\$1100
3 CD Rom computers	\$3000
Stationery Stand	\$ 100
Mobile Stand	\$ 200
Playstation and games	\$ 400
Electronic costs prior to opening	\$4800
Miscellaneous	
Printing	\$1300
Insurance ⁻	\$ 400
Operating Cash	\$2000
Miscellaneous costs prior to opening	\$3700
Total start up expensés	\$28,920

OPERATING BUDGET

Income – Parent Fees (based on 70% capacity enrollment) \$352,940

Expenses	
Accounting	\$ 2000
Office Expenses	\$ 1000
Depreciation	\$ 5000
Food	\$ 5000
Insurance	\$ 1200
Art Supplies	\$ 3600
Toy Replacement	\$ 10000
Printing	\$ 1750
Rent (Montgomery County)	\$ 10000
Rent (ICB)	\$ 4800
Repairs/Maintenance	\$ 1000
Salaries	\$208510
Taxes	\$ 19190
Workshops	\$ 2000
Housekeeping supplies/paper	
Products	\$ 2500
Dues/Subscriptions	\$ 700
Books & Videos	\$ 3000
Christmas Bonuses	\$ 1200
Health Insurance	\$ 17500
Field Trips	\$ 2000
Petty Cash	\$ 3600
Advertising	\$ 2500
Gymnastics Bus	\$ 4420
Education Benefit	\$ 6000
NAEYC	\$ 1000
Bus	\$ 7200
Total Expenses	\$326,670

ATTACHMENT B



STAFF HANDBOOK

PHILOSOPHY

The philosophy of Bright Eyes Child Care Center is to:

- *Provide a loving, stimulating environment where children are free to grow while in the care of gentle, warm caregivers:
- *To provide children with a program in which they can grow physically, emotionally, socially, and cognitively at their own pace:
- *Provide children with a developmentally appropriate curriculum:
- *To help children celebrate and share their culture:
- *Respect all children and help them to respect themselves and others.

Our objectives are to:

- *Provide a quality child care center, sensitive to the needs of the whole family:
- *Encourage parent involvement in our program:
- *Provide programs and activities that are stimulating and varied:
- *Encourage children to develop self-control and learn peaceful conflict resolution skills:
- *To work with the family as a team to provide the best possible care for the child.

ATTENDANCE

You are expected to report for work as scheduled. If an illness or family emergency will prevent you from reporting to work or will cause you to be late, you are expected to contact the Director as soon as possible. Whenever possible, this should be done no later than two hours before your scheduled arrival time so that provisions for a substitute can be made. We are committed to maintain proper staff/child ratios and ask for your consideration when you will be absent or late. A Tardy and Absentee guideline will be given to you on your first day of work.

We reserve the right to request documentation from a physician for sick leave.

SICK LEAVE

Sick leave will start accruing after the first full month of employment. Sick leave will be accrued at the rate of 1/2 day leave per month for full-time employees, 4 hours maximum. Part-time employees will accrue leave at the rate of .25 times average number of hours worked per week, accrued every month.

Leave will be calculated for you each month and you will receive notification of how much leave you have. You may accrue as much sick leave as you like, but, any unused sick leave upon termination of employment is forfeited.

VACATIONS

Leave must be requested at least two weeks in advance. All vacation leave must be approved by center owners. Leave will be approved based on seniority, which follows these guidelines:

- 1. Level of employment
- 2. Full time over part time
- 3. Length of service
- 4. If all other things are equal, first come first

Please do not make reservations or buy tickets until your leave has been approved. The center does not have to approve time off if you do not have leave accrued to cover it.

If you do take approved time off without leave, your annual raise evaluation will be moved back accordingly and you will not accrue sick leave or vacation during that time.

JURY DUTY

Employees will be granted paid leave (jury salary will be deducted) for jury duty, up to 5 days. Documentation will be requested.

DEATH OF AN IMMEDIATE FAMILY MEMBER

Leave will be granted for the death of an immediate family member (spouse, child, parent, parent-in-law, sister, or brother). Full time employees will receive up to three days. Part time employees will receive paid leave up to three days, based on your work schedule.

HOLIDAYS

Bright Eyes will be closed on the following holidays:

New Year's Eve Memorial Day

New Year's Day Independence Day

Martin Luther Kings B'Day Labor Day

Presidents Day Thanksgiving & Friday Good Friday Christmas Eve

Good Friday Christmas Eve Easter Monday Christmas Day

Full time employees will receive holiday pay from date of employment. Part-time employees will receive holiday pay after six months, based on your work schedule.

EQUAL OPPORTUNITY

Bright Eyes does not discriminate in regard to race, sex, nationality and/or ethnic origin, or sexual preference.

PROBATION

All new employees will be on a 30 day probationary period and may be terminated at any time during that period. At the end of 30 days, the employee will either be hired or will have their probationary period extended for 30 more days. This decision will be based on evaluations made by Director and owners during this period.

EVALUATIONS AND SALARY INCREASES

All employees will receive written evaluations, designed to increase effectiveness and give guidance. These evaluations will be used as a tool in determining salary increases. Every employee will receive an annual salary increase based on merit.

TRAINING

You will be offered many opportunities for continued training, both within the center and the community. Staff is required to take advantage of these opportunities. All staff must complete 12 hours of training per year. CPR and First Aid training is also required. Bright Eyes will pay for these trainings however staff is required to donate the time towards this professional development.

GROUNDS FOR DISMISSAL

Immediate grounds for dismissal:

- 1. Physical force with a child.
- 2. Drug or alcohol use on the job.
- 3. Reporting for work intoxicated or under the influence.
- 4. Insubordination.
- 5. Any illegal activity.
- 6. Not showing up for work, with no call.
- 7. Time card fraud.

Dismissal after warning:

- 1. Failure to comply with licensing regulations.
- 2. Consistent failure to carry out assigned duties.
- 3. Consistent failure to perform within the bounds of the program philosophy.
- 4. Excessive tardiness.
- 5. Excessive absences.

DISCIPLINE

All staff members will be given a copy of the Bright Eyes discipline policy and asked to sign it on their first day of work.

TELEPHONE CALLS

Local, outgoing calls may be made during staff breaks and lunch. No long distance calls may be made without prior permission from the Director (you will be responsible for the expense.)

Incoming calls will be limited to emergencies when you are in the classroom. Phone messages will be relayed to you.

Remember the phone is a business phone, all calls need to be short and you must pick up call waiting should you be on the phone.

SMOKING

Smoking is prohibited on the center premises. Staff are encouraged to be positive role models for the children.

Page 4

DRESS CODE

Casual dress is recommended to allow for active involvement with the children. Clothing should be clean and in good repair. Clothing that could be considered suggestive is forbidden, as are shirts that display alcohol, cigarettes, weapons, or inappropriate language. Shoes should be worn at all times.

COMPLETING YOUR TIME CARD

You should complete your time card each day when you report for work and when you leave. You should not sign in early or work late unless you are requested to do so by the Director, Assistant Director, or one of the owners. If you report for work after your scheduled start time you should sign in at the time that you arrive, not at the time that you were scheduled.

You should sign out on your time card for any lunch breaks and any personal time (e.g. Dr. appointment etc...) that you take.

It is your responsibility to make sure your time card is complete, legible and signed at the end of the week. If it is not, your pay check may not be complete.

COMMUNICATIONS PATH AND GRIEVANCE PROCEDURES

Bright Eyes encourages each employee to communicate with the center Director on any matter that is of concern. If an individual needs information or advice or wishes to express a suggestions, criticism, or grievance (s)he is encouraged to speak the Director.

The center's policy is to provide information or advice and to respond to the suggestion or criticism as soon as possible. In the case of a grievance the Director will communicate to the employee what steps will be taken to resolve the issue. The intent of this policy is to encourage direct and open communication that resolves difficulties and utilizes employee's ideas when feasible.

- 1. When an employee seeks information or advice or wants to state a grievance or criticism, (s)he should first contact the Director.
- 2. The Director should respond or follow up on the issue within a 24 hour period. If appropriate action cannot be completed with that time period, the employee should be told, if possible, what steps are being taken and when and how the issue will be resolved.

3. If the issue is not satisfactorily resolved, the employee may then raise the issue with the center owners. The owners will investigate the issue and arrive at a solution. The Director and the employee would both be consulted. The owner's decision would be binding to all parties involved.

CHANGES IN PERSONNEL DATA

We need to maintain up-to-date information about you so we are able to aid you and/or your family in matters of personal emergency.

Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin should be given to the Director promptly.

CARE OF EQUIPMENT

You are expected to use proper care when using Bright Eyes's property and equipment. We ask especially that you ensure that children's games, toys and puzzles that have many pieces and parts be returned carefully to their storage containers. Also, please ensure that computers are used appropriately and the software (CD's) are stored properly.

No property may be removed from Bright Eyes without asking the Director. If you lose, break, or damage any property, report it to the Director at once.

IF YOU MUST LEAVE US

Should you decide to leave your employment with us, we ask that you provide the Director with at least two weeks written notice. Your thoughtfulness will be appreciated and will be noted favorably should you ever wish to reapply at Bright Eyes.

Employees who wish to be re-hired after a break in service must go through routine employment procedures, such as an interview and filling out an application. Employees who are re-hired after a break in service, other than an approved leave of absence, must serve a new probationary period. Such employees are now considered new employees from the effective date of their re-employment for all purposes, including the purpose of measuring benefits.

Before the employee will receive their final paycheck they will need to return any Bright Eyes property, keys and have turned in their written notice.

Please notify Bright Eyes if you address changes during the calendar year in which termination occurs so that your tax information can be sent to the proper address.

STAFF BENEFITS

Full time staff benefits:

Paid vacation leave - one week after every six months, after 7 years with the company receive one week every four months.

Paid sick leave - accrued at the rate of four hours per month.

Paid holidays

Workers Compensation

Unemployment Insurance

Social Security

Health Insurance - Bright Eyes will pay 70% of monthly fee towards a health insurance policy. Our current provider is Kaiser.

Child Care - Up to one half pre-school rate credit for child care, within licensing regulations, as space permits.

Pension Plan - Totally funded, for all full time employees, over the age of 20, after one year continuous service.

Christmas bonus - \$100 for every full year of service.

Dental Insurance - Bright Eyes will pay 70% of monthly fee. (Optimum Choice) Part time staff benefits:

Paid vacation leave - equivalent of average number of hours worked per week, after every six months- after 7 years accrued every 4 months..

Paid sick leave - .25 times average number of hours per month, accrued every month Paid holidays - after six months continuous service

Workers Compensation

Social Security

Unemployment Insurance

Pension Plan - Totally company funded, for all part time employees, over the age of 20, who average 20 or more hours per week, after one year continuous service.

Christmas Bonus - \$100 for every full year of service.

Education Plan - Available to all full time employees and all Senior Staff and Group Leaders. Bright Eyes will pay for up to 12 semester hours per year, books and tuition. Must be for courses in Early Childhood Education or toward completion of the Child Development Credential.

PROFESSIONAL CODE AND ETHICS

- *We will strive to always continue our education.
- *We will strive to always be professional in our conduct.
- *We will always provide children with a safe, healthy, nurturing environment.
- *We will develop relationships of mutual trust with the families we serve.

- *We will always provide children with a safe, healthy, nurturing environment.
- *We will develop relationships of mutual trust with the families we serve.
- *We will keep any information we learn about families or children confidential.
- *We will love and protect all children.

IMPORTANT INFORMATION

*Check your mailbox daily for correspondence.

*Paychecks will be issued on Thursday for the preceding week.
*No food (except snacks being served), gum or sodas (unless placed in a coffee mug) will be allowed in the classroom.
*Use your lunch hour to eat your lunch. Do not take your break and then come back and eat in the classroom when you are to be interacting with the children.
*Be familiar with the snow policy. If Montgomery County Public Schools open late or close we will open one hour late. If the Administrative offices close or open late we will

follow their schedule. Call the center when in doubt.

WHENEVER YOU HAVE QUESTIONS LET US KNOW!!

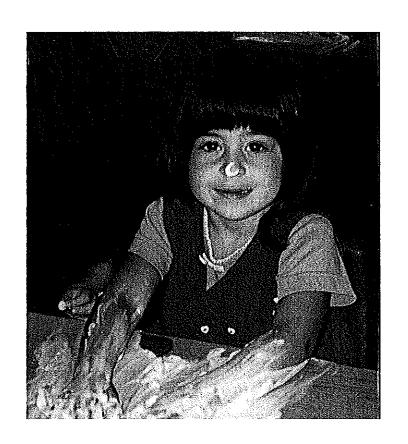
I have read the foregoing staff handbook and I am familiar with its terms. I understand that it is not a binding contract, but a set of guidelines for the implementation of personnel policies. I understand that Bright Eyes may modify any of the provisions of this handbook at any time. I also understand that, notwithstanding any of the provisions of this handbook I am employed on an at-will basis. My employment may be terminated at any time, either by me or by Bright Eyes, with or without cause.

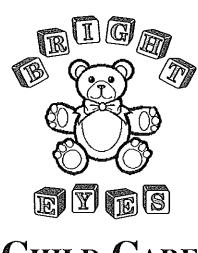
DATED_	 	.,, .	 -,		·
SIGNED					

ATTACHMENT C

SAMPLE FLYER

The flyer attached is one of the methods that we use to advertise our program.





CHILD CARE
CENTERS

ATTACHMENT D

CHILD CARE CONTRACT

C1 !1 1	D. N				
Child	l's Name:				
Days.	/Hours Care Required:				
		EITES			
1.	I agree to pay Bright Eyes a \$_30_ regis	tration fee at the time of enrollment.			
2.	I agree to pay a 1-week deposit (that will be o	credited to my last week of care, with proper notice), in			
	addition to my first week's fee, the first day of	of care.			
3.	I agree to pay on Monday (or the first day of	the week that my child attends) of each week the sum of			
	\$ A late payment fee of \$5 per day	will be added for each day that payment is not received. If			
	payment is not made by Friday, my child's en	rollment may be terminated and I will not be refunded my			
	deposit. I also agree that I will pay (without p	protest) any collection fees and/or legal fees incurred in the			
	collection of amounts due under this contract				
4.	. I agree to give 2 weeks' written notice upon termination of the child care contract or I forfeit my deposit.				
5.	5. I understand that the fee is a set rate and I will not receive any refund or discount for absences, vaca-				
	tions, holidays, or snow days.				
6.	· · · · · · · · · · · · · · · · · · ·	, I will be charged \$5 for every 10 minutes or fraction of			
_	that time, per child. Two late pickups within a	• •			
7.		all checks returned by the bank. After two returned checks,			
0	I may be required to make future payments in				
8.	I understand that Bright Eyes will be closed of	on the following holidays:			
	New Year's Eve	Independence Day			
	New Year's Day	Labor Day			
	Martin Luther King's Birthday	Thanksgiving			
	Presidents' Day	Friday after Thanksgiving			
	Good Friday	Christmas Eve			
	Easter Monday	Christmas Day			
	Memorial Day				
9.	I understand that outdoor play is part of the cu	arriculum and will be included daily. All children will be			
	expected to participate.				
10. ;	I have read the snow policy in the Parent Han	dbook and understand it.			
11.	I have been given a copy of the Parent Handbook. I agree to abide by all the policies outlined and agree				
	to pay all fees as have been described. I have also read the conditions of this contract. I understand and				
	accept each condition,				
	Parent Signatur	e			
	Expiration Date				

ATTACHMENT E

ATTACHMENT F

ATTACHMENT F

Attachment F is not applicable to Bright Eyes, Inc.

BRIGHT EYES, INC. COMPILED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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Financial Statem	ents			
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Michael J. Lerche Certified Public Accountant

12929 McCubbin Lane Germantown, MD 20874 Phone (301) 515-8114

To the Board of Directors Bright Eyes, Inc. Gaithersburg, MD 20882

I have compiled the accompanying statement of assets, liabilities and equity-income tax basis of Bright Eyes, Inc. as of December 31, 2003 and 2003 and the related statements of revenue, expenses, and retained earnings-income tax basis, for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am not independent with respect to Bright Eyes, Inc.

COA COA Germantown, Maryland

March 2, 2004

BRIGHT EYES, INC. ASSETS, LIABILITIES, AND EQUITY-INCOME TAX BASIS DECEMBER 31, 2003 AND 2002

ASSETS

CURRENT ASSETS

Cash

Prepaid income taxes Employee advances

Total current assets

PROPERTY AND EQUIPMENT

Equipment, furniture and vehicles Less: Accumulated depreciation Net property and equipment

TOTAL ASSETS

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Payroll taxes payable
Profit sharing plan payable
Accrued expenses
Federal income taxes payable
Current portion of long-term debt

Total current liabilities

LONG-TERM DEBT

TOTAL LIABILITIES

STOCKHOLDER'S EQUITY

Common stock 1,000 shares, no par value, authorized; 200 shares issued and outstanding Paid-in capital Retained earnings.
Total stockholder's equity

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY

BRIGHT EYES, INC. STATEMENT OF REVENUE, EXPENSES, AND RETAINED EARNINGS-INCOME TAX BASIS FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

2003

2002

INCOME

EXPENSES

Advertising Automobile expense Bank charges Books and movies Charitable contributions Depreciation Dues and subscriptions Education expense Educational material, supplies and trips Food. Gifts Insurance Interest Legal and accounting Office supplies and expense Outside services Rent Retirement plan contribution Retirement plan administration Repairs and maintenance Salaries Taxes - income Taxes - payroll Taxes - other Telephone Travel and entertainment Workshops-

Total expenses

NET REVENUE OR (LOSS)

RETAINED EARNINGS - BEGINNING

RETAINED EARNINGS - ENDING

ies and expense
ices

lan contribution
lan administration
maintenance

me
oll
r
ntertainment

hses

OSS)

- BEGINNING

- ENDING

See accountant's compilation report.
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BRIGHT EYES, INC. NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

NOTE A - INCOME TAX BASIS OF ACCOUNTING

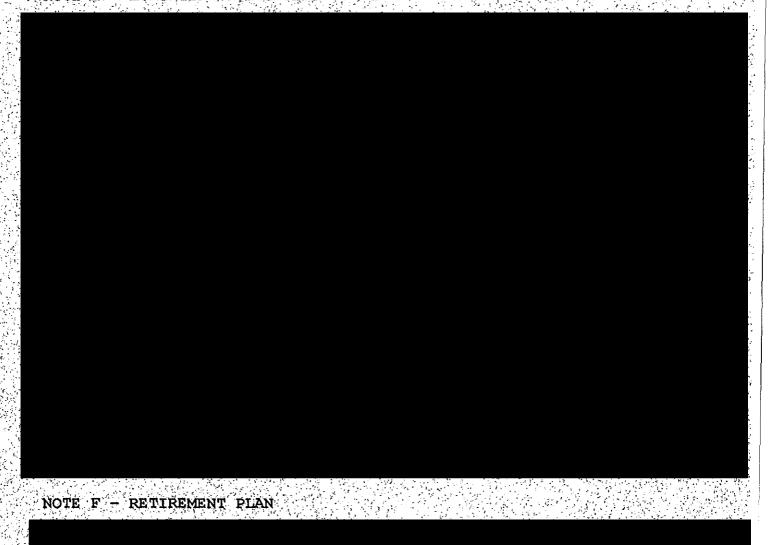
NOTE B - NATURE OF OPERATIONS

NOTE C - PROPERTY AND EQUIPMENT

NOTE D - LEASING ARRANGEMENTS

BRIGHT EYES, INC. NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

NOTE E - LONG-TERM NOTES PAYABLE



BRIGHT EYES, INC. NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

NOTE F - INCOME TAXES

"Procedure for Implementing the Revised Policy for Waivers of Capital Cost Fee"

In the February 1991 Fee Structure and Debt Service Report certain specific provisions for waiver of capital cost recovery fee were recommended for inclusion in the County policy for Rental Rates for Child Care. These recommendations were approved in April 1991.

Centers which meet any of the following criteria for waiver may apply in writing for waiver of the capital cost fee. The waiver which shall apply to the entire facility. Waiver application must be submitted at annual lease renewal.

- 1) The Center shall enroll and provide care to families eligible for or enrolled in Child Care tuition subsidy programs (D.S.S. Purchase of Care and/or Working Parents Assistance Program); Families receiving subsidy shall comprise at least 30% of licensed capacity; the provider shall accept as full tuition payment the face value of vouchers issued by the DSS Purchase of Care Program. Written verification of meeting this requirement shall be required.
- 2) The provider will serve Infants and Toddlers in Child Care, as defined by the State of Maryland Child Care licensing regulations for Group Child Care; the children served will be in space administered, operated or funded by Montgomery County Government, specifically for Infant Care and/or required by tenant selection for that specific center.

Other sites which may choose to offer care to infants are not automatically granted waiver, but will be considered on a case by case basis. Determination of waiver application will be made jointly by DFS and DFR based on demonstrated community need.

- 3) The provider ... 11 serve children with handicapping conditions. Waiver will be considered on a case by case basis for sites which meet the following criteria:
 - child or children must be designated as child with handicapping conditions by physican or authorized agency.
 - an approved plan for special need care must be on file with Child Care Administration
 - provider must document that enrollment of the child(ren) causes substantial additional cost to the program (additional staff, space modification, specialized equipment) and that this cost has ongoing impact to financial viability of program.
- 4) Annual certification with documentation shall be required. Waivers will be forfeitted by programs which provide incomplete or inaccurate information. If determined by DFS and DFR that waivers were not legitimate for a lease year, the capital cost fee for that year may be applied to the following lease year.
- 5) Centers may apply for consideration of waiver if #1 and #4 partially apply. DFS may wave all or a portion of capital cost fee if cost to program is equal to or greater than capital cost fee.

APPLICATION FOR WAIVER OF CAPITAL COST RECOVERY FEE

Indicate which waiver provision(s) your program is applying for

- 1. 30% Voucher Service
- Infant Care Special Needs Care 3.

Indicate time period (this should match your annual lease term)

	Start date	-
	End date	_
Explain how your progra and present documentati use additional pages as	ion for verification by Cou	the waiver policy and present nty Government. (you many
3		
	· · · · · · · · · · · · · · · · · · ·	

I (we) certify that this Waiver Application and any attached documentation are true and correct to the best of my (our) knowledge and belief:

Name	Name
Title	Title
Address	Address
City, State and Zip	City, State and Zip
Signature	Signature
Date	Date

Child Care Equipment Inventory					
Facility Address:	blen 1 10900	laven Inwo	E.S.	nu.	e e
Provider Name:	Brigh	toyes			- I
					-
		Ohaale haud	in tadianta sid	ha	and double thousand
Equipment	Quantity	County	Provider	N/A	ovided the item Comment
Playground Equipment					MCP5
Stove					
Oven					
Washer					
Dryer					
Refrigerator		\$	1G]		
Freezer					
Microwave		7	1 DH		
Storage Shed					
				,	
- Adaption					
To the state of th					

Exhibit E

INSURANCE REQUIREMENTS:

- A. Licensee agrees to obtain and maintain, during the full term of this License, a policy of liability insurance with minimum combined bodily injury and property damage in the amount of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each occurrence, and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) in the aggregate, issued by an insurance company licensed in the State of Maryland and acceptable to the County, which policy must include the following coverage:
 - 1. Contractual Liability
 - 2. Premises and Operations
 - 3. Independent Contractors
 - Products and Completed Operations during and for two years following completion of the work.
 - 5. Daycare Operations
- B. Licensee agrees to obtain and maintain, during the term of this License, a policy of Workers' Compensation and Employers' Liability coverage. The Workers' Compensation policy must be in amounts as required by statute and the Employers' Liability Policy must be in amounts of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) for each accident for bodily injury by accident, FIVE HUNDRED THOUSAND (\$500,000) DOLLARS for policy limits for bodily injury by disease and ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) each employee for bodily injury by disease.
- C. Licensee must obtain and maintain a minimum limit of liability of one million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following:
 - Owned Automobiles
 - 2. Hired Automobiles
 - 3. Non-owned Automobiles
- D. Licensee must maintain adequate fire, theft and vandalism insurance for the contents on the Licensed Premises.